



# Property Tax Exemptions

## Is Your Business Taking Advantage?

Every year businesses overpay in real and tangible property taxes. Often business property is overvalued or improperly assessed, but in some cases, businesses aren't taking full advantage of the tax exemptions available to them.

The main reason businesses miss out on tax exemptions is they aren't well advertised and the eligibility guidelines are often confusing. Also, exemptions vary by tax district, which can make it difficult for businesses with property in multiple districts to identify and leverage all exemptions available to them.

Here is a list of some common exemptions available to business owners.

### 1

#### Abatement

Though not a true "exemption," property tax abatements are often offered by municipalities and other agencies as an incentive to draw new businesses to the area and to help existing businesses expand. Abatements are usually a reduction in taxes for a specific period of time and can be applied to either real or tangible property.

### 2

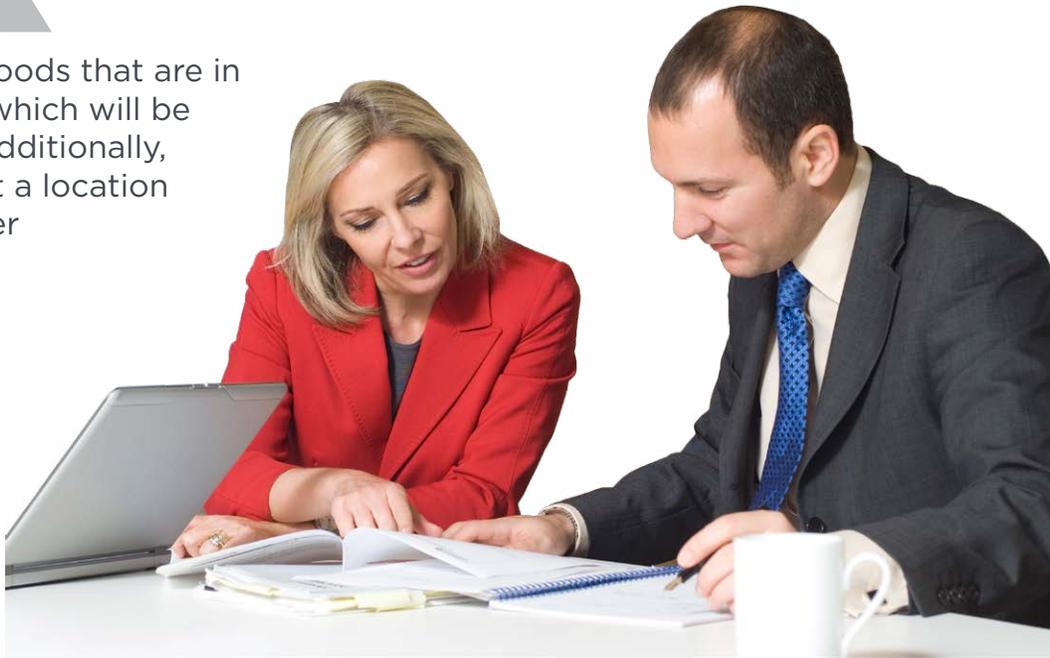
#### Freeport

A freeport exemption applies to tangible property (inventory) that is imported from outside the state and will be exported to another state in 175 days or less of the date of acquisition. The business has to apply for the exemption each year.

### 3

#### Goods in Transit

This exemption applies to goods that are in transit between states and which will be relocated within 175 days. Additionally, the goods cannot be held at a location owned by the business either directly or indirectly.



## 4 Agricultural

Many rural districts offer exemptions for agricultural properties. The exemptions and eligibility requirements can vary greatly by district, but agricultural exemptions often cover land, buildings, labor camps, storage facilities, and certain crops.

## 5 Pollution Control

Ad Valorem tax exemption applied to business personal property such as a device or facility that is used to control pollution. Like the Freeport tax, the owner must apply for the exemption each year.

## 6 Vehicle Exemption

An individual vehicle may be exempt if it is used by the owner for their occupation and personal use and if it is not an income-producing vehicle, such as a taxi or limousine.

This is just a sampling of some of the most common exemptions available to business owners. As mentioned earlier, exemptions are determined by each district and are often driven by economic need and used as incentive for investment by new and existing businesses. Eligibility and availability of exemptions can vary from year to year, so it is best to contact your local tax district or your property tax advocate for information on what exemptions apply to your specific property.

